

MEETING MINUTES

January 19, 2006

GOVERNOR'S COMMITTEE FOR THE PURCHASE OF COMMODITIES AND SERVICES FROM THE HANDICAPPED

The meeting was called to order by Chairperson Penney Hall at 10:00 a.m. January 19, 2006 at the F. Ray Power Building, located at the West Virginia Division of Rehabilitation Services' office in Institute, West Virginia.

ATTENDANCE:

Committee: Penney Hall (Chairperson); Brenda Morford; Pete Cuffaro; John Liller; and Evan Williams (Executive Secretary). Carol Jarrett, recording secretary

WVARF Staff: Glenn McEndree; Chris Miller; Craig Greening and Ken Kennedy

Public Attendance: Tim Morris, President of WVARF;
Michael Sieber, Director of Job Squad Inc.;
Brenda Hellwig, Executive Director of Job Squad Inc.;
Bob McCoy, Director of Seneca Designs;
LuAnn Scaramucci-Summers, Rehabilitation Program Specialist
with Division of Rehabilitation Services.

Chairperson Hall, called the meeting to order.

Chairperson Hall reported that Donna Lipscomb had resigned as Chairperson on December 31, 2005, due to other work demands. Ms. Hall handed out a copy of Ms. Lipscomb's resignation letter. Chairperson Hall then proceeded to introduce herself to the committee and asked the other committee members, WVARF staff and public attendees to do the same.

The committee then proceeded to the next order of business.

Approval of minutes.

Mr. Cuffaro noted the committee had requested a letters be sent to Secretary Ferguson and the Congressional representatives but in the committee packet the letters are marked DRAFT. Chairperson Hall explained the letters had not be sent prior to her being appointed as chairperson and she did not feel comfortable sending the letters without committee approval since she was not part of the meeting where they were discussed.

MOTION #1

Mr. Cuffaro move to accept the minutes as presented, Mr. Liller seconded. Motion passed.

CHAIRPERSON REPORT:

Chairperson Hall said she was pleased and proud that Governor Manchin gave her the opportunity to chair this committee. She said she has two priorities. First, that people with disabilities have a good job and have the opportunity to be among their peers. Work is a huge part of everybody's life and people with disabilities are no different. Second, the State is getting the quality of goods and services they are paying for.

Chairperson Hall also asked members to feel free to contact her at any time they have an issue they want to discuss or a concern they want to raise.

Chairperson Hall next presented the letters which were voted upon at the December meeting. She stated she had drafted them based on what she thought the committee wanted. She thanked Mr. Cuffaro for drafting the initial letter to Secretary Ferguson. The Committee suggested a few changes to the letters and asked her to go ahead and send them.

MOTION #2

Mr. Cuffaro moved a letter be sent to Ms. Lipscomb to thank her for her past services, Mr. Liller seconded. Motion passed.

EXECUTIVE SECRETARY REPORT:

\$3,232.93 - FY06 annual allocation;
635.32 - Outstanding unpaid expenses, travel, hospitality & accounting fees;
307.60 - Expenses paid-to-date;
\$2,290.01 - Unencumbered balance.

There was a discussion of changing the letterhead with Ms. Hall's name added as chairperson. The committee decided to leave it up to Ms. Hall's discretion of whether to change it or not.

REPORT OF CENTRAL NON PROFIT:

Mr. McEndree handed out the annual report and said it was not yet completed. He pointed out specific items within the report:

- Almost a million hours of work hours, and
- Up to \$11,566,000 in annual sales.

He reported WVARF had received over one million dollars in payments in December, thanks to Secretary Ferguson.

WVARF has been conducting a document destruction feasibility study. It is nearly complete and will be submitted to the WVARF membership at their January 20th meeting.

He reported they are working on a preliminary budget for next year and will be prepared to present their findings at the February meeting.

He invited the Committee to attend the WVARF Legislative breakfast in the Capitol cafeteria on January 20.

Mr. Liller will be attending the National Conference of State Use Programs next week in San Francisco along with WVARF staff.

FINANCIAL REPORT:

Mr. Miller reported that cash flows have improved significantly. WVARF received \$1.3 million in the month of December. He said they continue to receive money at a fairly steady pace. Total accounts receivable \$1.5 million. \$120,000 over 60 days is due from the Department of Administration of which only one invoice is over \$300,000. Although DRS is still behind they have made payments on July and August invoices. Another 25% is DOH. The bulk is Fairmont University. He said he on-line and those are in the system or, in the Auditor's Office for payment. WVARF should get a check within a week.

There was conversation about other agencies being behind and the need for the Committee to take action on those like they did with Administration. Committee members asked Chairperson Hall to talk with Secretary Ferguson about the DOH problem. Mr. Cuffaro asked Mr. Miller to provide information on those accounts more than 60 days over at every meeting so the committee can take action if needed.

CONTRACT COMPLAINTS:

Mr. Kennedy reported there had been one janitorial complaint since the last meeting and it has been taken care of.

NEW CONTRACTS:

Mr. Greening reported that he had been in negotiated with the Workforce Investment Region I regarding their new building in Beckley. Integrated Resources had been cleaning the old building for 5 years and the region has been completely satisfactory. The building they left was 21,000 square feet and the new space is about 37,000 square feet with approximately 30,000 square feet being cleaned. Integrated Resources had been cleaning the old building for \$1.32 per square foot which included providing all disposals, toilet paper, hand soap, etc. The Workforce Region only wants to pay \$1.20 per square foot for the same services in the new building, which would include the stripping and waxing of all floors. Mr. Greening reported Integrated Resources did not feel they could do the new building at the price of \$36,000 a year. Although a final resolution has not been reached, Mr. Greening said WVARF may have to turn down this contract, something they rarely do.

There was discussion around the Workforce regions buildings and who does the cleaning for those buildings. Some of the buildings are leased with janitorial contracts included. Mr. Greening explained these entities are hard to work with because WVARF cannot get an answer from the Purchasing Division about whether the State Use law is mandatory for them because of how they are structured as independent board's agencies although their funding sources are state and federal dollars. There is a concern with this primarily because in some areas state agencies such as DHHR, DRS, and DMV are housed within the same building. Mr. Cuffaro suggested monitoring the situation, if WVARF decides not to take the contract and see who takes it up and at what price. He suggested bidding on it every year. Chairperson Hall asked Mr. Greening to keep her informed and she may be of some help putting pressure on them.

There were two contracts which were additions to current contracts:

- The Grievance Board in Charleston had a 3% increase on the contract total, wages from \$5.90 to \$6.20.
- The Parkersburg State Office Building, added 3800 square feet, a 9.8% increase. The price rose from \$4,870 to \$5,370.16 or 499.55 per month, an increase of 10.2%.

Mr. Kennedy reported on the DNR Sportsman Stream Access Sites. This is a contract started with them 2 ½ years ago for ground maintenance. There are 200 sites throughout West Virginia and WVARF currently has contracts to do 99 of them. There are 11 different Community Rehabilitation Programs participating in this contract. DNR requested a flexible costing format which involves one price for each site visit, but occasionally there may be a need for additional hours of services which they wanted built into the contract. The Committee needs to set the fair market price for this contract. The price is based on a price for one visit to each site once a month for 2 hours. If DNR wants the site visited more than once a month than that is added into the contract at the per site visit rate. The prices recommended were \$58.50 per visit and \$22.41 for each additional team work hour. For some sites there are also additional hours per site visit for times when DNR wants some additional work done. An example may be when there is a flood in the area and extra time is needed to clean up the trash around the access site. Other costs involved in this contract are the costs of materials, supplies and transportation.

DNR was willing to accept an increase in the contract over last year because of the increase in the cost of gasoline. The contract increased from \$105,099 last year to 108,869 this year.

Mr. Kennedy reported on a second new contract with DNR for a stream access site at the new lake/reservoir at Bee Run Lank/Reservoir near Wallback. It was decided this contract would be separate from the other because it includes a shooting range and some other amenities which would make it difficult for it to fit in with the other stream access sites contract. The costing formula is basically the same but is based on a two person team instead of one person as the stream access sites are. WVARF put out a request of interest for this contract. The only CRP that was interested was Clay County Services, Inc.

MOTION#3

Mr. Cuffaro made a motion to approve the contracts presented and Mr. Liller seconded. Motion passed.

OLD BUSINESS:

Chairperson Hall asked that Mr. Mullins speak about the audit he did of the CNA financials. She stated the committee should feel free to ask him any questions but there was not going to be any action or discussion on the report until the next meeting of the Committee. She stated she wanted everyone to have time to consider the report before proceeding.

Mr. Mullins reported he and Mr. Miller had discussed some issues which was now old news. The first part of the report was the background of how the association and the CNA work. His first concern was the last time there was anything to justify the finances between the association and the CNA was October, 2004. He advised that a more recent time study be done. He cautioned that when doing this WVARF needs to be very careful to be sure they get accurate and good numbers, so someone could not come in and criticize them later. He suggested that the income statement needs to be shared with the committee members earlier than the meetings so members would have time to digest the information and ask questions. The third issue was enhancement of the cash flow. This has been discussed before as this is a long term problem. With the state it is not uncommon for accounts to go past 60 days. The fourth issue was who owns the assets and liabilities of the CNA. He could not answer that question. Finally, the investment account had a balance of \$730,000. He suggested that at some point when the cash flow gets settled a maximum should be set on that account. Saying it shall not exceed this and if it does, roll back into the capital.

Mr. Liller said he didn't understand why you would put a cap on that. Revenue that it is generating will either: a) go back into it to generate more revenue; or b) be rolled over into the operating account fund that CRP's pay into. He questioned why you want to put your funds into the operating account. Mr. Mullins replied that at some point you have to draw the line on what you carry over. He also said what if the CNA changes and there's a million and a half dollars in the account where does that go?

Mr. Liller said in his opinion the CNA (WVARF) generated the funds and the Committee gave them permission to do so, therefore the funds belong to them.

Chairperson Hall said this issue has been consuming the Committee's time and it is now time to resolve it and move on to other business. She asked members to look over the rules that govern this program and come back next month ready to discuss Mr. Mullin's report so this issue can be finally resolved.

NEW BUSINESS:

Chairperson Hall, said at the next meeting the committee would:

- Discuss Mr. Mullins report
- Talk about the 2006 action plan
- Talk about the budget

PUBLIC COMMENTS:

Mr. Morris commented on the headline in the newspaper about Governor Manchin proposing a bill stating elected officials would not have to follow purchasing rules. He cautioned this could cause problems for the State Use program. He also wanted to echo Mr. Greening's concern about the situation with the Workforce Investment Region Boards and the rules they have to follow. He said it is strange to him that these Boards whose money comes through state government have such control over their funds but WVARF who earns their money is being questioned about who has ownership of their funds. He said this issue has tied this Committee up for months and have prevented the CAN from focusing on other important issues such as increasing worker wages.

He said the committee has been instrumental and has moved us forward. Within the past few months we have committee members that have been graciously involved. Mr. Cuffaro has been around the State visiting CRPs with Mr. McEndree. Mr. Liller is going to the state use conference next week in California and Ms. Hall is on board and understands what we need to do now.

He also addressed Mr. Mullins statement in regards to the investment account. He said the irony is that WVARF tries to follow generally accepted accounting principles which would indicate WVARF needs to have at least 6 million dollars in reserve, because the CNA pays out close to a million dollars a month. If WVARF had not done for the past two decades (putting money in a reserve account) over the last six months there would have been probably at least 200 individuals with disabilities laid off from the State of West Virginia because the State was so far behind in their payments.

He also asked the minutes reflect his very deep sense of gratitude and appreciation for what Secretary Ferguson has done over the past month. He said he called Secretary Ferguson on a Friday at 4 p.m. He had breakfast with him at 8:30 a.m. the following Monday to discuss the almost \$2 million owed WVARF, by 5:00 p.m. that day a check was ready for pick up the next day. "I want to publicly go on record for thanking Secretary Ferguson for our financial problems and for his public support for WVARF and what WVARF is doing. On behalf of the board of WVARF, we appreciate what you are doing."

MOTION#4

Chairperson Hall made a motion to adjourn, Mr. Liller seconded. Motion passed.

WEST VIRGINIA ASSOCIATION OF

REHABILITATION FACILITIES

LAST SIX MONTHS' GROSS REVENUES

June '05	July '05	Aug '05	Sep '05	Oct '05	Nov '05	FY 2006 Year-to-Date	FY 2005 Total *
\$917,699	\$865,966	\$890,662	\$905,468	\$895,961	\$873,351	\$4,431,407	\$10,465,483

AGED RECEIVABLES AS OF Dec. 31, 2005

Current	31 -60	61-90	90+ Days	Total
\$694,895	\$383,687	\$198,946	\$278,000	\$1,555,528
		\$476,946		
44.67%	24.67%	12.79%	17.87%	100.00%
		30.66%		

Comparative Figures (Acc. Rec Over 60):

	61 +	% of Total
12/31/04	\$396,257	25.73%
12/31/03	\$207,578	16.03%

Advanced Guaranteed Payments made to CRPs:

FY '06 Y-T-D: \$1,563,754

* - Fiscal Year runs from July 1 - June 30